

BOARD OF SELECTMEN

Minutes of the Meeting of 3 December 2008. The meeting took place in the Court Room, Town and County Building, 16 Broad Street, Nantucket, MA 02554. Members of the Board present were Rick Atherton, Brian Chadwick, Michael Kopko, Allen Reinhard and Patricia Roggeveen. Chairman Kopko called the meeting to order at 6:00 PM.

ANNOUNCEMENTS

James P. Manchester, Park and Recreation Director, announced that the bowl of the skate park is now open after a period of renovation. He characterized the improvements to the park as "sweet."

Regarding the Special Town Meeting scheduled for December 8, 2008, Town Manager C. Elizabeth Gibson noted that the meeting requires a quorum of five percent of registered voters in order to take action on certain articles. She strongly encouraged the public to attend.

Richard Ray, Nantucket Health Department Director, announced that there will be a public meeting of the Board of Health to discuss tick-borne diseases on December 4, 2008, at 4:30 PM in the garage area at #2 Fairgrounds. He also announced that the local regulatory deadline for inspections of septic systems within Zone A of the Harbor Watershed Protection District is December 14, 2008. Mr. Ray noted that properties not in compliance with the inspection program will face fines.

Public Comment.

Taxi operator Tom Landry stated that he is very concerned about taxi meter proposals currently under consideration. He displayed a portable meter that he stated costs \$358, adding that the meter would utilize the current zone system. Chairman Kopko encouraged Mr. Landry to communicate his concerns to Police Lieutenant Angus MacVicar and to attend the public hearing on the matter scheduled for December 17, 2008.

Richard Cooper asked to know the status of the Nantucket Hunting Association (NHA) lease and any Massachusetts Fish and Wildlife ruling regarding activity on local ponds. Ms. Gibson answered that a decision on lease renewal for the NHA will be rendered by the Board on December 10, 2008, and that the Marine Department is working closely with the State to develop pond fishing regulations. David Fronzuto, Marine Department Superintendent, added that his department is drafting documents to submit to Fish and Wildlife and petitioning for local control over fishing in Nantucket's ponds.

Meghan McNeely, Co-President of the Nantucket Teacher's Association, stated her opinion that although the Board has done everything it is required to do in order to inform the public about the upcoming Special Town Meeting, she feels a better job could be done to disseminate information. Chairman Kopko noted that several budget information public meetings have been held to further public discourse and share ideas, and that these meetings enjoyed little public attendance.

Approval of Minutes of 15 October 2008 and 18 November 2008 (Joint Meeting with Harbor and Shellfish Advisory Board). The minutes of 15 October 2008 and 18 November 2008 were approved by the unanimous consent of the meeting.

Approval of Payroll Warrants for Weeks Ending 23 November 2008 and 30 November 2008. The payroll warrants for the weeks ending 23 November 2008 and 30 November 2008 were approved by the unanimous consent of the meeting.

Approval of Treasury Warrant and Pending Contracts for 3 December 2008. The treasury warrant and pending contracts for 3 December 2008 were approved by the unanimous consent of the meeting.

Citizen/Departmental Requests.

Police Department: Request for Acceptance of Gift of Equipment (Departmental Firearms Replacement). William Pittman, Nantucket Police Chief, asked the Board to accept forty-five firearms to be purchased by the Nantucket Sheriff's Department, by utilizing the Corrections Deeds Excise Fund. Mr. Reinhard moved that the Board accept the gift of equipment from the Sheriff; seconded by Mr. Atherton. So voted unanimously.

Request for Execution of Purchase and Sale Agreement for "Yard Sale" Parcel at Kent Street (between #23 and #25) Pursuant to Vote on Article 86 of 2004 Annual Town Meeting. Ms. Gibson stated that this request is to follow up on a series of parcels to be disposed of by the Town, as authorized by Town Meeting. She commented that the goal of the project is to make small parcels adjacent to larger private parcels available for purchase. She added that this parcel will be sold for \$7,500. Mr. Chadwick thanked the Planning Department for its hard work on fulfilling the goals of Article 86. Mr. Reinhard moved that the Board approve the execution of the purchase and sale agreement; seconded by Ms. Roggeveen. So voted unanimously.

TOWN MANAGER'S REPORT

Monthly Update Regarding Finance Department and Organizational Improvements. Ms. Gibson stated that the Abrahams Group is scheduled to return in January for an independent review of the implementation of its recommendations pursuant to a Finance Department organizational report issues in September. She noted that a portion of the implementation involves moving responsibilities from Finance to Human Resources, and that a new position of administrative assistant will be sought in conjunction. Ms. Gibson added that there has been some slippage on some implementation dates due to the Special Town Meeting and the additional challenges in the FY 2010 budget process. Chairman Kopko asked if the slippage on dates will affect the timelines given to the auditors, the Department of Revenue, and the Abrahams Group. Ms. Gibson answered that she expects to meet the ending deadlines for each goal despite setbacks to short term goals. Ms. Roggeveen asked if the hiring freeze will hamper efforts to add the additional resources necessary to achieve goals laid out for the Town. Ms. Gibson answered that the two positions, staff accountant and administrative assistant, have been in the pipeline for an extended period of time prior to the hiring freeze and that there is funding available in the current budget for them. She highlighted the need for the Finance Department to get out of the human resources business and focus on the work it needs to do to get its internal controls and other critical financial activities on track. Mr. Atherton commented that he has observed how the Town has suffered due to a lack of staff and is happy to see steps being taken in order to help everyone move forward.

Update Regarding FY 2009 General Fund Budget and December 8, 2008 Special Town Meeting. Ms. Gibson explained that the bulk of General Fund revenue is tax revenue, and the majority of State aid is Chapter 70 revenue, which is appropriated for schools. She reviewed projected

expenses and pointed out that a General Fund deficit of \$2,080,000 is currently projected, attributing this mainly to a decline in revenue and the necessity of increasing the Town's subsidy to the Solid Waste Enterprise Fund (SWEF). She also noted that the Town may experience costs related to interest payments on short term borrowing due to the fact that the Department of Revenue (DOR) has yet to approve the Town's tax rate. Mr. Atherton asked if there is not another way to address the DOR's concerns and move forward with having the tax rate approved in order to send out tax bills. Ms. Gibson answered that she is not aware of any other method than waiting for the DOR to approve the tax rate and then send out bills. She noted a past instance when the Town sent out bills prior to DOR approval with negative ramifications. Chairman Kopko pointed out that for each month the DOR does not approve the tax rate it will be necessary for the Town to spend \$40,000 in interest expenses. Ms. Gibson added that the General Fund shortfall does not reflect a budget shortfall being separately projected within the School's budget.

Pointing to a proposed solution to the budget shortfall, Ms. Gibson explained that a Health Insurance Trust (HIT) Fund drawdown will use existing funds to address the current shortfall and will not necessitate raising taxes. She noted that if Articles 7 and 8 do not pass at the Special Town Meeting it will be necessary for the Town to reduce its budget by \$1.2 million and the School to reduce its budget by \$832,000, immediately.

Chairman Kopko reiterated the points presented by Ms. Gibson, reminding everyone that the HIT drawdown proposal is revenue neutral in that it only involves moving money and does not involve asking the public to approve new taxes.

Overview of FY 2010 General Fund Budget. Ms. Gibson stated that she will be presenting some options for closing the budget gap in a general overview, and that some figures in the presentation will continue to change. She noted that the School and Town have already made projected cuts to operating budgets and that with the exception of \$140,000 in expense increases no new items will be added. She pointed out that the increase requests are only approved if they met policy or management priorities or if they are unavoidable. Ms. Gibson attributed the budget gap to the fact that Nantucket is one of the fastest growing communities in the State. She cited a high demand for services as one reason why the budget is impacted, and also pointed out that personnel costs incurred providing these services make up approximately eighty percent of the budget.

Highlighting gap closure options, Ms. Gibson listed potential options including:

- Elimination of the Adult Community Day Care program
- Cutting Health and Human Services' budget by \$100,000
- Elimination of the mosquito control program
- Reducing legal expenses
- Reducing the use of street lights
- Funding July 4th fireworks from the License Plate Fund instead of the General Fund
- Reducing lifeguard overtime and coverage
- Reducing personnel costs

Ms. Gibson stated that these options represent a potential savings of \$1,435,000. She also presented additional future potential options to consider for outsourcing services including: Parks and Recreation grounds keeping, ambulance services, Solid Waste, and Our Island Home.

Additionally, Ms. Gibson said that it may be necessary to ask Town employees to take unpaid leave and increase various fees for services. Ms. Gibson then proposed that an Ad Hoc Municipal Finance workgroup be formed to consider the condition of the Town's finances and make recommendations on issues such as whether or not to seek an operating override. Mr. Atherton commented that the community will have to determine the services for which it is willing to pay. Ms. Roggeveen stated her intention to avoid any unintended consequences when cutting services, and noted that services will need to be paid for either through the tax base or through fees. She added that the budget is not only about numbers but also about policy.

In light of personnel costs making up a large part of the municipal budget, Mr. Atherton asked if it is normal for these costs to make up eighty percent of the budget. Mr. Rice answered, stating that since government is service driven it is normal for personnel costs to be in the range of eighty percent. Richard Cooper asked if proposed personnel cuts will require negotiations with labor unions, to which Ms. Gibson responded affirmatively. Mr. Atherton asserted that in building budgets it is helpful to have statistics such as the number of calls for the Fire Department or the amount of volume at the Landfill.

Selectmen's Reports/Comment.

Discussion Regarding Status of Town License(s) Approval(s) for Siasconset Beach Preservation Fund (SBPF) Use of Town Property (Continued from 15 October 2008; 5 November 2008; and 19 November 2008). Chairman Kopko stated that Town Counsel has drafted a license agreement and that he feels the Board's concerns have been addressed and documented. Attorney William Hunter, representing SBPF, said that he has worked with the SBPF to address the Board's concerns, and proposed that a letter be attached to the license agreement reaffirming SBPF's promise to cease coastal bank terracing operations. He added that language regarding de-watering efforts also needs to be removed from the agreement. Mr. Hunter noted that a promise to remove wooden posts from the site is being fulfilled, and stated that he is working to formalize an agreement for an easement at 67 Baxter Road. He stated that this easement will allow access to the Siasconset Bluff Walk via a landscaped path. Additionally, Mr. Hunter highlighted the fact that SBPF has now agreed to provide up to \$7,500 for legal expenses associated with the license request.

Mr. Reinhard stated that the current license request represents a significant improvement over past agreements. He commented that he was particularly pleased to hear that an agreement has been reached to provide access to the area. Mr. Reinhard moved that the Board approve the request for a license to use Town property, seconded by Ms. Roggeveen. Mr. Atherton then stated he believes it is reasonable for the Board to defer license approval until such time as the letter proposed by Mr. Hunter is attached to the agreement. Town Counsel Paul DeRensis agreed, saying that it is better to have a final agreement in writing before voting to approve the license. He advised that the Board should take no action until it has all documentation and is fully satisfied before voting on the matter. Mr. Reinhard withdrew his motion and the matter was tabled until December 17, 2008.

Action on Letter to Division of Marine Fisheries Regarding Extension of Emergency Scalloping Regulation. Due to a personal interest in scalloping, Chairman Kopko recused himself from the matter and turned the meeting over to Ms. Roggeveen, Vice Chair. Ms. Roggeveen stated that

Marine Superintendent Dave Fronzuto has been charged with the task of writing a letter requesting an extension of emergency scalloping regulations and that this letter has been reviewed by Town Counsel. Mr. Fronzuto noted that the emergency regulation is a ninety day order, which will be reviewed at a public hearing in Barnstable on January 6, 2009. Ms. Roggeveen asked about language in the letter referring to a "permanent regulation," to which Mr. DeRensis replied that the word "permanent" is intended to contrast the word "emergency." Mr. Fronzuto explained that the letter requests a public hearing to ask for a new standard for taking scallops. Mr. Chadwick asked how the benchmark of two and one-quarter inches was arrived at, to which Mr. Fronzuto replied that the general consensus is that it is an acceptable measurement and one that is already in use by the State of New York. He added that the options adopted by the work group on January 6 will be the recommendation for future scalloping regulations. Wendy McCrae, Harbor and Shellfish Advisory Board (SHAB) Chair, communicated her hesitation to use the language of "permanent regulation." She proposed that the Board consider a home rule petition to allow the community to set its own regulations. Mr. DeRensis advised that the word "permanent" was chosen because of similar language within the existing statute. Marina Finch characterized the situation as unfortunate, noting that the changes in regulations are not being driven by new science. Ms. Roggeveen responded to Ms. Finch's comments stating that she believes the regulations worked for a while but it is now time to bring science to the table and have a new conversation about scalloping regulations. Mr. Reinhard moved that the Board authorize Mr. Fronzuto to send the letter requesting extension of emergency scalloping regulations, seconded by Mr. Atherton. So voted unanimously.

Chairman Kopko returned to the meeting and resumed the chairmanship.

Discussion Regarding Citizen Advisory Committee for Public Safety Facility Report Recommendations. Ms. Gibson stated that she feels it will be most cost effective to construct a joint Fire and Police station into any models for a public safety facility. She noted that a commitment of \$3.3 million has already been appropriated for such a facility; however, in recognizing the current economic conditions, moving forward with the Police phase only right now seems appropriate. Curtis Barnes asserted his belief that a phased approach is the best way to go about the creation of a public safety facility. He also stated that he believes for the project to receive voter approval the Town must make sure it is a fiscally achievable goal and also ensure that the project has the full support of the Board. Mr. Reinhard complimented the Citizen Advisory Committee on a well thought-out and carefully presented report. Chairman Kopko asked for a straw poll of the Board to make sure that all members support the recommendations of the Citizen's Advisory Board to which all members indicated in the affirmative. Chief Pittman suggested that the Board not place the capital request for the public safety facility on a ballot with other items at an election.

The meeting was unanimously adjourned at 9:21 PM.

Approved the 21st day of January, 2009.